

Secret

July 1961

MEMORANDUM FOR THE RECORD

SUBJECT: Tax Status of WALKER Payments to Representative and Executive
Committees

1. On 19 July I was called by Mr. James O'Leary of the General Counsel's Office. He said a letter from Representative Martin (Minority Whip of House Ways and Means Committee) to Mr. Oliver Pagen had requested information as to what was the tax status of the payments receiving payments through the WALKER complex. He wanted to know specifically what their liability was to the Internal Revenue Service and what steps, if any, had been taken by this Agency to insure compliance with Federal tax laws.

2. Mr. O'Leary requested my presence at a meeting held at 2:30 P.M. in Room 226 East Building to determine the tax status of the payments made to the Cubans in the WALKER complex.

3. Present at the meeting were the following personnel:

James O'LEARY, Office of General Counsel

George C. RY, Assistant Legislative Counsel

Joe O'NEIL, Assistant Legislative Counsel

03 [Norvin JENKINS] General Counsel, WALKER Acct. Branch,
Finance Division

Responsible [J. P. ...] 03

03 4. Before the meeting I conferred with [] [] [] and
[Oliver Pagen] to have certain facts confirmed. I was present to the
General Counsel Staff.

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5. I told the members of the Agency (15) at a meeting held in January 1961 attended by [redacted] (Covert Tax Branch), [redacted] (General Counsel Office) and [redacted] (Chief, Support, JMWAVE) it was decided that payments made to designated dependents of trainees were not salary payments but were subsistence payments not taxable. At this meeting, Mr. [redacted] stated that any salaries paid to council members of AMIRN would be the personal responsibility of the individual receiving the salary and that reportings to Internal Revenue would be in accordance with existing laws. He also stated there was no policing to be made by this Agency. (b) No withholdings for taxes were made by AMIRN. (c) AMIRN has no official or corporate status in the U.S. (d) Subsistence payments represented living allowances to dependents of foreign nationals who were training for the project primarily outside of the U.S. (e) There was no evidence of official notice to AMIRN of any tax liability.

6. After a general discussion as to how Representative Karsten would be briefed to his satisfaction, the meeting was adjourned.

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[redacted] J. Maggi
[redacted] Finance

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